

CHICAGO BUSINESS ACTIVITY INDEX

CBAI decreased in March

The Chicago Business Activity Index (CBAI) decreased to 97.3 in March from 101.9 in February. The fall is attributed to the employment decrease in non-manufacturing and construction sectors and the negative contribution of retail sector in the Chicago region.

In March, the national and regional economy shared mixed features. The Federal Reserve Board announced that total industrial production increased 0.3% and capacity utilization in total industry was little changed at 78.3% in March. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) decreased to -0.23 in March from +0.76 in February due to negative contributions of employment, consumption, and sales. Midwest manufacturing output measured by the Chicago Fed Midwest Manufacturing Index (CFMMI) increased 0.3% in March. In the Chicago region, compared with the previous month, employment in non-manufacturing and construction decreased 0.05% and 0.27% respectively in March. Employment in manufacturing increased 0.07% and retail sales are estimated to have fallen 1.89% in March.

In the coming months, the national economy is likely to maintain its recovery trend. The economic growth reflected in the CFNAI-MA3 suggests that national economic activity was near its historical trend. The Bureau of Labor Statistics reported that total nonfarm payroll employment rose by 165,000 in April, and the unemployment rate was little changed at 7.5%. Considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to continue its modest improving trend over the next several months.

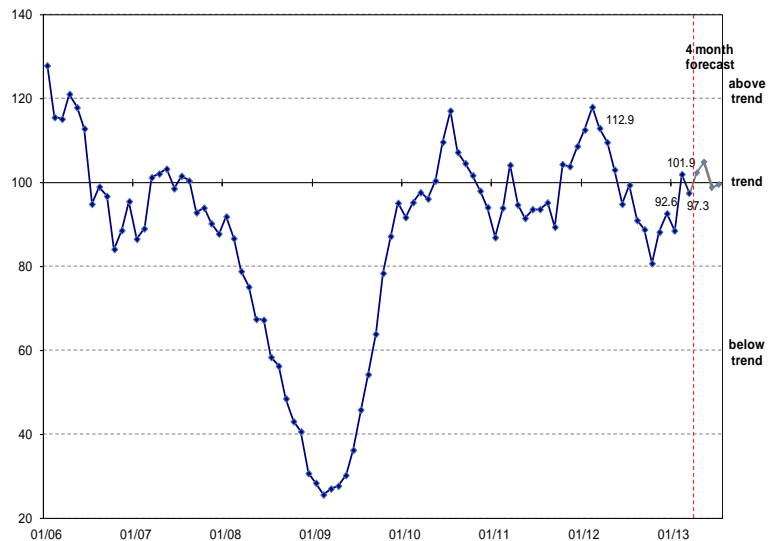
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CBAI (Current: 97.3)			
	1 month	3 month	1 year
Historical (ago)	101.9	92.6	112.9
Forecast (ahead)	102.4	98.7	-

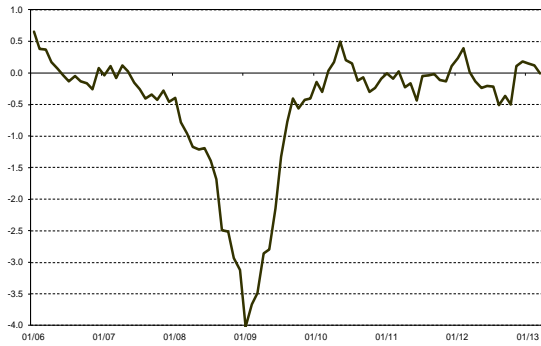
Chicago Business Activity Index



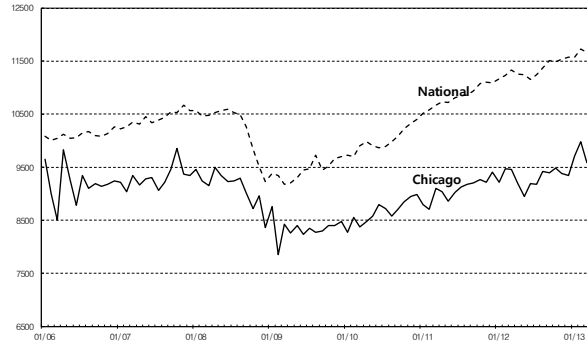
Chicago Business Activity Index

* National indicators are rescaled for comparison.

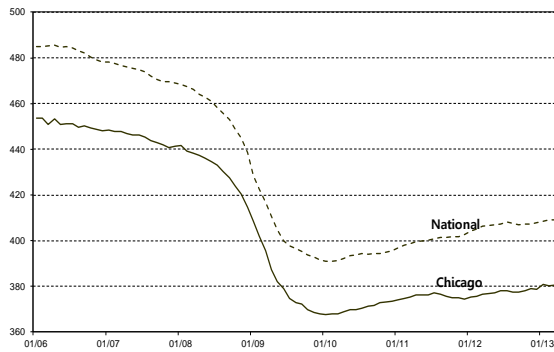
Chicago Fed National Activity Index (CFNAI-MA3)



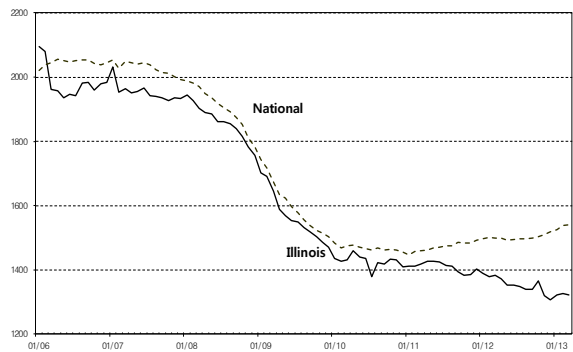
Chicago & National Retail Sales



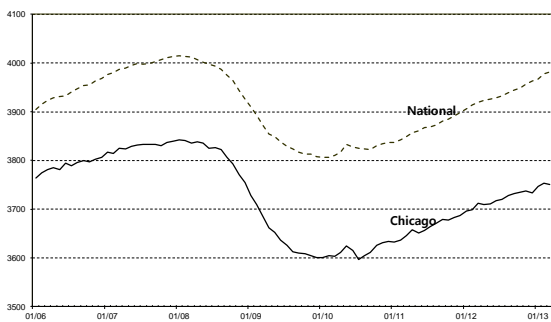
Chicago & National Manufacturing Employment



Illinois & National Construction



Chicago & National Non-manufacturing Employment



Economic Activity: Summary

Percentage change compared to the previous period

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	0.67	0.33	0.02	1.06	0.46	0.07
NMfgn	1.60	0.47	0.11	1.05	0.50	-0.05
Cons	2.77	1.49	0.22	-4.48	1.14	-0.27
Retail	2.96	0.75	-0.57	1.36	2.69	-1.89

Note: All series are seasonally adjusted.

The Chicago Business Activity Index (CBAI) is a monthly statistic that measures the changes in the business cycle status of the six-county Chicago region. The CBAI leads the local business cycle by three-to-four months. REAL's approach to constructing this index, using the principal components regression method, directs attention to the relationship between local and national business cycle.

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